



# M e m o r a n d u m

To: Panel Members Date: November 13, 2003

From: /s/ Peter McNamee Executive Director File: L:\03\Panel Summary Memos\November.doc

Subject: NOVEMBER 2003 PANEL PACKET

I am attaching this month's Panel packet as well as an alphabetical listing of the employers, participating employers, and subcontractors involved before the Panel this month. Please review the list carefully and let me know if you anticipate conflicts with any of the projects.

We are expecting a quorum at this month's meeting. The Panel is scheduled to consider 56 projects this month for a total of approximately \$14,908,331. Eleven projects are proposals under the Small Business Pilot Project.

The following proposals have issues that the Panel may wish to address:

1) Frito-Lay, Inc.: This applicant initially presented a proposal at the July 2003, Panel meeting to provide training at its Southern California sales and distribution sites. Prior to the motion, the Panel raised several concerns about Frito-Lay's proposal, including: (1) multiple projects funded in the last five years and currently active; (2) equity of funding one company multiple times when other companies will be turned down due to lack of funds; (3) lack of information on how the company is structured; (4) Frito-Lay's investment in training its workers; (5) and the perception that ETP may be becoming the training funding operation for Frito-Lay. Further, the Panel asked that Frito-Lay coordinate its training activities and combine the training requests into one proposal.

Frito-Lay has requested reconsideration of the July 24, 2003, Panel decision, and, to support its request, submits this training proposal, which the company believes addresses the Panel's previously expressed concerns. To allow the Panel to consider the Frito-Lay proposals as a whole, the Southern California training proposal has been consolidated with the training proposal for the Northern California facilities. However, based on a review of ETP training plans from current and prior Frito-Lay agreements, staff is concerned that the training proposed in this project is not supplemental in that it is similar to training that is currently being funded as well as has been previously funded by the Panel, despite representations made under these prior proposals that the company would invest in further training at its own expense. Staff recommends approval of this project, only if the Panel finds its concerns sufficiently addressed, and determines that the requested training is supplemental to the company's training.

2) Newgen Results Corporation: This proposal was considered at last month's Panel meeting. However, the Panel deferred action on the project so the applicant could clarify whether it is a call center and revise the proposal to: (1) only train staff in occupations with low turnover rates; (2) delete the telemarketing occupations; and (3) revise the percentage of managers to be trained.

The applicant has revised its proposal as follows: (1) The number of trainees has been reduced from 440 to 277; all teleservices representatives and a proportionate number of supervisors and managers have been deleted from the training plan to maintain the percentage of managers to be trained at 15 percent; (2) The Agreement amount has been reduced from \$417,560 to \$262,873; (3) With the deletion of the teleservices employees, the applicant's turnover rate is now 15 percent.

3) Pacific Coast Maritime Labor-Management Consortium: The applicant proposes to retrain 55 deck and engine mariners in commercial skills in demand in the maritime industry. The applicant states that some trainees may not be California residents, but all trainees will be retained by participating California-based employers who pay unemployment insurance and the Employment Training Tax to California on their behalf. Neither the employers nor the unions require that workers reside in California during their non-work periods. The applicant states that the majority of trainees will be California residents. California residency is not a statutory or regulatory requirement for trainee participation in ETP-funded training.

4) Ross Stores, Inc.: The applicant is requesting to train workers at its new distribution center in Perris, which will replace its current distribution center in Newark, California. The Newark facility will be closed after the new center reaches sufficient operational performance.

The Panel currently has a policy regarding business relocations, which provides: "The Panel shall encourage economic development when it adds jobs or preserves existing jobs in California. The Panel shall not use its funds to encourage business relocations from one California location to another." The applicant states that it offered every Newark employee a job at the new facility with a guarantee of the same pay and benefits, and those employees that chose not to relocate were offered up to six weeks of severance pay. According to the applicant, approximately 150 Newark employees accepted its offer to relocate to the new distribution center. Staff recommends approval of this proposal if the Panel determines that this proposal meets the Panel's policy concerning business relocations.

5) Farmworkers Institute for Education & Leadership Development: This is a proposal to train seasonal farmworkers. Staff has worked with the applicant to develop a pilot project for the agricultural industry which would allow the Panel to address the following issues: (1) the need for a waiver of the ETP minimum wage; and (2) the Panel's ability to fund training for seasonal workers. In order to finalize the proposal for your consideration this month, it will be mailed to you separately before the Panel meeting.

6) Concord Sheet Metal Products, Inc.: This small business requests that the Panel allow it to send two employees to attend training in Pennsylvania. The applicant states there are no trainers in California who can provide the training for its equipment. The applicant explains that it is more cost effective to pay for the employees' wages, flights, per diem, and training costs not covered by ETP than it would be to halt production for one week to train in a non-productive environment. Staff recommends approval of this request because: (1) This proposal is under the Small Business Pilot Project; (2) ETP is only reimbursing for a small percentage of the total cost of training; (3) The applicant will pay for all travel costs, per diem, and wages; (4) If training is conducted at the applicant's site, the applicant would be forced to shut down the company for one week and lay off employees while the training is being conducted; (5) This would be a one-time allowance and would not be considered as a precedent for other proposals.

Prior to the consideration of projects, Pam Haynes will update the Panel on the status of the Small Business Pilot Project. I will update the Panel on ETP's current fund availability. After the consideration of projects, I will discuss the Annual Report for 2002-03, which includes proposed legislative action. Additionally, there will be a policy discussion on telemarketing training and restrictions on funding such training.

Attachment: - Alphabetical Listing of Employers, Participating Employers, and Subcontractors

## **Alpha Listing of Employers, Participating Employers and Subcontractors**

### **Adcon Technical Institute (Amendment) Tab 4**

- Gallop Cycle Corp. Long Beach
- Marquez Brothers Enterprises Inc. City of Industry
- Profile Design LLC Carson
- Spy Optic Inc. Carlsbad
- Tip Plus Inc. Long Beach

### **AECOM Technology Corporation Tab 17**

### **Altec, Inc. Tab 35**

### **American Business College Tab 10**

- All American Finance Turlock
- Alpine Townhouse Apartments, LLC Modesto
- Davidon Homes Walnut Creek
- Johnson, Emerson L McDonalds Modesto
- Petrikris, Inc. San Jose
- Valley Wide Financial, Inc. Modesto

### **American Security Group, Incorporated Tab 18**

### **Apffel Gourmet Coffee Tab 53**

### **Baxter HealthCare Corporation Tab 29**

- Santa Clarita Community College District/College of the Canyons Santa Clarita

### **Behr Process Corporation Tab 25**

- Employers Group Los Angeles

### **Blue Shield of California Tab 11**

**Bravo Automotive, Inc. Tab 41**

- Ocean Consulting Group Temecula

**California-American Water Company Tab 13**

**California Manufacturing Technology Center (Amendment) Tab 5**

- Anchor Audio Lomita
- Ashley Furniture Colton
- Calsonic North America, Inc. Irvine
- Catalina Designs Carlsbad
- Chroma Systems Partners Santa Ana
- Commercial Wood Products Adelanto
- Foam Molders & Specialties Cerritos
- IPS Corporation Gardena
- Jackson Corporation Los Angeles
- Labeltronix Orange
- Monterey Carpets Santa Ana
- NASCO Gardena
- Peerless Injection Mold Gardena
- Physical Optics Corporation Torrance
- Radcal Corporation Monrovia
- Rocker Industries Harbor City
- Safariland Ontario
- Superconductor Technologies, Inc. Santa Barbara
- Titan Plastics Group Brea
- UVP, Inc. Upland
- Valspar Montebello

**Cliffstar Corporation Tab 42**

- American Business Concepts Redlands

**Concord Sheet Metal Products, Inc. Tab 48**

- Plasma Automation, Inc. Meadville, PA

**Deluxe Packages Tab 36**

- Total Excellence in Manufacturing (TEiM) Nevada City

**El Camino Community College District/Center for Applied  
Competitive Technologies Tab 6**

- Moog Inc. Aircraft Group Torrance OPNS Torrance
- Teledyne Microelectronic Technologies Los Angeles
- Tri-Star Electronics El Segundo

**Farmworkers Institute for Education & Leadership Development Tab 1**

**First American Title Insurance Company Tab 14**

- Training Funding Partners Irvine

**Frito-Lay Tab 19**

**Fujicolor Processing, Inc. Tab 43**

**Gambro Healthcare, Inc. Tab 15**

**Glovia International, Inc. Tab 30**

**Gooden Watch Repair Tab 54**

**GoTrain, Incorporated Tab 7**

- Chronomite Labs Harbor City
- Juanita's Foods Harbor City
- Long Beach Area Convention & Visitors Bureau Long Beach
- Two Chefs on A Roll Carson

**Harte-Hanks Incorporated Tab 31**

- Concorde Career Institute Garden Grove

**Herburger Publications Tab 49**

- Elk Grove Unified School District-Adult Education Elk Grove

**Hitchcock & Holcombe (Amendment) Tab 20**

- Cakebread Cellars Rutherford
- CEO Inc. Roseville
- Duckhorn Saint Helena
- Franciscan Vineyards Rutherford
- Health Net Rancho Cordova
- Opus One Oakville
- Placer Title Co. Auburn
- Ravenswood Winery Sonoma
- Sierra Pine LTD Rocklin
- Surewest Communications Roseville
- Tasq Technology Rocklin
- Wells Fargo Bank Sacramento
- Wells Fargo Service Company Roseville

**JETCO, Incorporated Tab 55****Key Curriculum Press Tab 39****LC3S, Inc. d.b.a. Brookfields Restaurant Tab 37****Leadership, Training and Educational Fund Tab 2**

- Able Building Maintenance Company San Francisco
- ABM Janitorial Services San Ramon
- ACME Building Maintenance Alviso
- Township Building Services, Inc. Novato

**MetLife Investors Group, Inc. Tab 26**

**Multi-Screw, Inc. Tab 56**

**Newgen Results Corp. Tab 27**

**Olaes Enterprises Inc. d.b.a. ODM (Amendment) Tab 44**

**Orange County Electrical Joint Apprenticeship and Training Trust Tab 3**

- A & R Electric, Inc. Fullerton
- Action Electric Corporation Santa Ana
- Anderson & Howard Electric Irvine
- Briggs Electric Irvine
- Carol Electric Los Alamitos
- CSI Electrical Contractors, Inc. Santa Fe Springs
- Dynaelectric Los Alamitos
- Giannelli Electric, Inc. Anaheim
- Gilbert & Stearns Electric Santa Ana
- MacFarlane Electric Santa Ana
- Morrow Meadows Corporation
- R.L. Douglass Electric Huntington Beach
- SASCO Electric Cerritos
- United Electrical Enterprises Stanton

**Pacific Coast Maritime Labor Management Consortium Tab 40**

- American Ship Management, LLC Walnut Creek
- Matson Navigation Company, Inc. San Francisco
- San Diego Central Labor Council San Diego
- Training Resources Limited San Diego

**Pacific Coast Producers – Distribution Center Tab 21**

- Parker and Land Oakdale

**Panasonic Disc Manufacturing Corporation of America Tab 32**

- California Training Cooperative Irvine



**Pro Business Tab 24**

- Training Funding Partners Irvine

**Programmed Composites, Inc. Tab 45**

- E-Gate College Irvine

**R. B. Zack & Associates Tab 57**

- Paul D. Sheriff and Associates, Inc. Tustin

**R. Lang Company Tab 22**

- Strategy Workplace Communications San Francisco

**Redwood Empire Electrical Training Trust Tab 38**

- Cupertino Electric San Francisco
- Joe Lundardi Electric Sebastopol
- WBE Telcom Novato

**Ross Stores, Inc. Tab 28**

- National Training Systems Laguna Niguel

**Saf-T-Co Supply Tab 50**

- E-Gate College Irvine

**SBC Communication, Inc. Tab 12**

- Training Funding Partners Irvine

**Sears Logistics Services, Inc. Tab 33**

- Training Funding Partners Irvine

**Sellers Optical, Inc. d.b.a. Precision Optical Tab 51**

- E-Gate College Irvine

**Southern California Painting and Drywall Joint Apprenticeship Trust Fund Tab 8**

- Murphy Industrial Coatings, Inc. Signal Hill
- Wilson & Hampton Painting Contractor Anaheim

**Solid State Stamping, Inc. Tab 46**

- Epicor Software Technologies Irvine
- Executrain Ontario
- Technical Difference, Inc. Bonsall

**Sunrise Coffee Company Tab 47**

- Ocean Consulting Group Temecula

**TriNet Networking and Training, Inc. (Amendment) Tab 9**

- ACS-Affiliated Computer Services Chino
- Canon Communications Los Angeles
- Computer Science Corporation El Segundo
- Consolidated Pac Foundries Pomona
- Fannie Mae Pasadena
- First American Real Estate Solutions Anaheim
- QSS Group Pasadena
- Sunclipse North America Buena Park

**Wireless Technology, Inc. Tab 58**

- Synergistics Fresno

**Xerox Corporation    Tab 34**

- National Training Systems, Inc.    Laguna Niguel